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Farm Broadcasters Letter



Letter No. 2269

July 3, 1986

WINTER WHEAT TEAM REPORTS

A U.S. winter wheat team that just returned from a 9-day tour of the USSR reports the Soviets are adopting a new "intensive technology." Intensive technology combines the use of all the necessary inputs--seed, fertilizer, other agricultural chemicals, equipment and labor--on the best land. The target for the Soviets' 1986 crop is 220 to 230 million tons. The U.S. Department of Agriculture estimates 1986 Soviet grain output at 185 million tons from an area of 118 million hectares (296 million acres).

SLAUGHTER UNDER DAIRY PROGRAM

As a result of the Dairy Termination Program, an estimated 24,700 head of dairy cattle were slaughtered in federally inspected plants during the week ending June 14, according to the U.S. Department of Agriculture. The cumulative total of cattle slaughtered from April 1 through June 14 is estimated at 471,700 head.

1985 CASH FLOW

Farmers' cash flow positions improved during 1985 largely because of continued high direct government payments and greatly increased Commodity Credit Corporation loans, according to the U.S. Department of Agriculture. Farmers' equity declined and their debt-to-asset ratios increased due to declining land values. Net farm income in 1985 was in the \$29-32 billion range, slightly below the 1984 level of \$34 billion, according to preliminary analysis. Net cash income last year rose to \$43-46 billion from \$38-39 billion in recent years. Off-farm income continued to grow in 1985, reaching \$40-42 billion. Overall, debt owed by operators for farm purposes declined about \$7 billion, with only the Commodity Credit Corporation showing a major increase in lending in 1985.

JULY LOAN RATE: 6-3/4

Commodity loans disbursed in July by the U.S. Department of Agriculture will carry a 6-3/4 pct. interest rate.

RESERVE SIGN-UP

Sec'y of Agriculture Richard Lyng announced that sign-up for the 1987 Conservation Reserve Program will take place Aug. 4-15 at Agricultural Stabilization and Conservation Service county offices. Lyng said, "We are pleased with the response from farmers during the 1986 signup. Now that producers are aware of the other provisions of the Act, such as sodbuster and conservation compliance, we expect even more interest by producers in the Program this year."

U.S. GRAIN TO TAIWAN

Taiwan has renewed its five-year grain agreement with the U.S., effective July 1, according to the U.S. Department of Agriculture. The agreement calls for minimum imports of 14-3/4 million metric tons--2.4 million tons above what is called for in the current agreement.

U.S. BEEF
OFFERED TO
EEC

Sec'y of Agriculture Richard Lyng announced the USDA's Commodity Credit Corporation is seeking tender offers from the European Economic Community to purchase U.S. high-quality beef. This is the second invitation for offers from the EEC. (Additional details are available from the Export Credits Division of FAS, Room 4503-South, USDA, Washington, D.C. 20250. Phone: 202/382-9240.)

FARM DEBT

In 1985, 21 pct. of farms, which owed 66 pct. of the debt, had a high debt-to-asset ratios. In 1984, 19 pct. of farms, owing 62 pct. of the debt, had high debt-to-asset ratios. The proportion of farms with the most serious financial problems declined from about 12.5 pct. in 1984 to about 11 pct. a year later. The Upper Midwest had the highest proportion of farms at risk because of debts. Three regions - the Corn Belt, Northern Plains and Lake States - accounted for over two-thirds of these farms. Financial stress also was highly concentrated among farms with annual sales of \$40,000 and above, among grain and general livestock farms, and among younger and middle-aged farmers. About 40 pct. of all farms in the nationwide survey owed no debt on Jan. 1, 1986, and another 40 pct. had debts equal to less than 40 pct. of the value of their assets.

OLD CROP
WHEAT STOCKS

Old crop wheat stored on and off farms on June 1, 1986, is estimated at a record high of 1 billion, 900 million bushels, up 33 percent from the 1 billion, 430 million bushels stored on June 1, 1985, according to the U.S. Department of Agriculture. Off-farm stocks, at 1 billion, 220 million bushels, are 64 pct. of the total stocks and are up 45 pct. from June 1 a year ago. Wheat stored on farms totaled 681 million bushels, up 17 pct. from last June 1. Indicated disappearance from all storage positions during April-May 1986 is 230 million bushels, off 5 pct. from the disappearance during the same period last year.

CORN STOCKS

Corn that is stored on and off farms on June 1, 1986, is estimated at 4 billion, 990 million bushels, 76 pct. more than the June 1, 1985 level of 2 billion, 840 million bushels, according to the U.S. Department of Agriculture. Of the total corn stocks on-hand on June 1, 63 pct. or 3 billion, 140 million bushels were stored on farms. Farm stocks were 56 pct. higher than June 1, 1985 farm stocks. Off-farm stocks, at 1 billion, 850 million bushels, are up 123 pct. from last June 1. Indicated disappearance from all storage positions during April-May 1986 totaled 956 million bushels, down 15 pct. from the disappearance during the comparable quarter a year ago.

1987 WHEAT
PROGRAM

On June 30, Sec'y of Agriculture Richard Lyng set the national average loan and purchase level for the 1987 wheat crop at \$2.28 per bushel, down from \$2.40 per bushel for the current year. The enrollment period for the 1987 wheat program will begin Oct. 1, 1986 and end Mar. 30, 1987.

NO QUOTA
TRIGGERED BY
MEAT EXPORTS

Sec'y of Agriculture Richard Lyng announced the third quarterly estimate of U.S. meat imports for 1986 is below the level that would require quotas on imports under the Meat Import Act of 1979. Lyng said, "Our analysis...suggests there will be no need for import restrictions for the remainder of the year."

FROM OUR
TELEVISION
SERVICE

WORLD AGRICULTURAL OUTLOOK...Agriculture's contribution to the U.S. trade balance continues to shrink, but a major realignment of currency is underway that may provide some relief for our export picture. USDA economist Cecil Davison examines the situation and outlook for world agriculture. Vic Powell interviews. (221)

FARM SUBSIDY ISSUE...Some large farm operations are dividing into smaller units to bypass the \$50,000 limit on crop program benefits. Tom Van Garlem with USDA's Agricultural Stabilization and Conservation Service takes a look at the extra subsidies issue and how widespread it has become. Vic Powell interviews. (222)

WIND EROSION UPDATE...Winds damaged almost 8.4 million acres of land in the Great Plains but this was slightly below the 8.5 million wind-damaged acres reported for the region last year. Bill Fecke, with USDA's Soil Conservation Service, talks about factors contributing to the current decrease. DeBoria Janifer interviews. (223)

GYPSY MOTH SPREAD...Gary Moorehead with USDA's Animal and Plant Health Inspection Service, describes the damage caused by gypsy moths and the types of control methods underway to stop the spread of this insect. DeBoria Janifer interviews. (224)

FARM FINANCIAL STRESS...Allan Lines, Ohio State University Extension Farm Management, talks about financial stress on U.S. farms and how current statistics and figures change in terms of economic conditions when the farm "business" instead of the farm family becomes the focus. DeBoria Janifer interviews. (225)



FROM OUR RADIO
SERVICE

AGRICULTURE USA #1518...(Weekly 13½ min documentary) Seaweed is a lot more than green slime. It currently represents some important research that could eventually open up a cure for cancer. Jim Johnson reports.

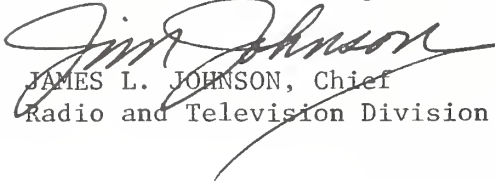
AGRITAPE/FARM PROGRAM REPORT #1507...(Weekly reel of news features) USDA news highlights; 1987 wheat program; 1987 conservation reserve signup; Farmland values; Farm trade deficit; Record dry weather in Southeast.

CONSUMER TIME #1000...(Weekly reel of consumer features) Save now; Rice weaving; Reversing skin damage; Lightening and its dangers; A fading culture.

USDA RADIO NEWS SERVICE...Fri, July 11, Crop production report; Mon, July 14, Min. outlook report; Tues, July 15, Weekly crop and weather update; Wed, July 16, Milk production outlook.

OFF MIKE

Gary Truitt (Indiana Agri-Business Net, Indianapolis) reports he has a new co-worker, Holly Downing, a June graduate of Ohio State University ... Nelson Robinson (USDA/ASCS Radio/TV and producer "Agriculture Update"), in talking with Gene Ragan (WTVY/Ragan Farm Net), learned that Gene has finished his 28th year of continuous television broadcasting and is into his 33rd year on radio. He said he figured others had him beat on years on radio but is wondering if there is anyone with more continuous years on TV. Any takers? ... Max Stewart (KXOK, St. Louis, MO) has a different question. He does a show where he interviews a guest, then takes questions live from listeners. He'd like to hear from other farm broadcasters who are doing the same kind of show and exchange ideas. Call him at 314-727-6500 ... Latest promotional idea comes from Kelly Lenz (WIBW, Topeka, Kans). His station is buying wheat at \$5.00 a bushel...1,000 bushels to be exact. It's all being done in an effort to help people realize what's happened to Kansas wheat prices. Farmers had to register for a drawing, and two will be picked to sell their wheat. Incidentally, Kelly also reports their intern this summer is Wally Brockhoff. He's a Kansas State Univ ag econ major ... The newest ag network on line is the Pacific Northwest Farm Network. Ron Arp (KWHT, Pendleton, Oreg.) will be handling the broadcast chores. He reports the network started up June 30 with 20 stations from Washington, Oregon, Idaho and Montana on board ... In the "Nothing New Under the Sun" category, our archives revealed an item in a 1963 USDA staff report which says, "The U.S./Common Market 'flap' over chicken exports continues to be big news. Poultry is just a vehicle for the major problem of EEC import restrictions." Unrelated item in same report: Layne Beaty reports that Margaret Desatnik makes her television debut this week." Margaret doesn't do TV anymore, but she writes half of this newsletter, among other things.


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